

SENATE BILL NO. 163

INTRODUCED BY MANGAN

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4 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING THE PAYMENT OF TAXES AND FEES TO LOCAL
5 GOVERNMENT ENTITIES BY CREDIT CARD OR OTHER COMMERCIALY ACCEPTABLE MEANS;
6 PROVIDING THAT THE PAYMENT IS NOT CONSIDERED MADE UNTIL THE LOCAL GOVERNMENT ENTITY
7 RECEIVES ITS PAYMENT FROM THE FINANCIAL INSTITUTION OR CREDIT CARD COMPANY; ALLOWING
8 THAT A FEE BE CHARGED UPON NOTICE OF NONPAYMENT; IMPOSING A CONVENIENCE FEE ON A
9 PERSON PAYING BY CREDIT CARD OR OTHER COMMERCIALY ACCEPTABLE MEANS; ~~REQUIRING THE~~
10 ~~FEE TO BE DEPOSITED IN A LOCAL GOVERNMENT ENTITY'S GENERAL FUND~~; ALLOWING LOCAL
11 GOVERNMENT ENTITIES TO ENTER INTO ANY NECESSARY AGREEMENTS WITH FINANCIAL
12 INSTITUTIONS, CREDIT CARD COMPANIES, AND STATE AGENCIES; SPECIFYING THAT FEES PAID TO
13 FINANCIAL INSTITUTIONS OR CREDIT CARD COMPANIES MUST BE PAID FROM AN APPROPRIATE
14 FUND OF A LOCAL GOVERNMENT ENTITY'S GENERAL FUND ENTITY; AND PROVIDING AN IMMEDIATE
15 EFFECTIVE DATE."

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17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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19 NEW SECTION. **Section 1. Payment of fees and taxes by credit card and other commercially**
20 **acceptable means.** (1) A local government entity may accept payment by credit card, debit card, charge card,
21 or other commercially acceptable means from a person making payment to the entity of taxes or fees that are
22 legally authorized and imposed.

23 (2) (a) If the payment is made by credit card, debit card, charge card, or similar method, the tax or fee
24 liability is not discharged and the person has not paid the tax or fee until the local government entity receives
25 payment or credit from the institution responsible for making the payment or credit. Upon receipt of the payment
26 or credit, the amount is considered paid on the date on which the charge was made by the person paying the
27 tax or fee.

28 (b) Upon notice of nonpayment, the local government entity may charge the person who attempted the
29 payment of the tax or fee an amount not to exceed the costs of processing the claim for payment of the tax or
30 fee. The amount that the local government entity charges must be added to the tax or fee due and collected in

1 the same manner as the tax or fee due.

2 (3) (a) A person who makes payments to a local government entity as provided in this section shall ~~shall~~ MAY
3 BE REQUIRED TO pay a convenience fee ~~equal~~ OF UP to 3% of the amount of the payment.

4 (b) The local government entity shall deposit the convenience fees collected in the ~~entity's general~~
5 APPROPRIATE fund.

6 (4) (a) The local government entity may negotiate and enter into agreements with and pay required fees
7 to financial institutions or credit card companies as necessary to facilitate implementation of this section.

8 (b) A financial institution or credit card company may not prohibit collection of the convenience fee
9 provided for in subsection (3).

10 (c) Fees paid to a financial institution or credit card company must be paid from AN APPROPRIATE FUND
11 OF the local government ~~entity's general fund~~ ENTITY.

12 (5) A local government entity may enter into cooperative agreements with state agencies as necessary
13 to carry out the provisions of this section.

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15 NEW SECTION. Section 2. Codification instruction. [Section 1] is intended to be codified as an
16 integral part of Title 7, chapter 6, part 6, and the provisions of Title 7, chapter 6, part 6, apply to [section 1].

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18 NEW SECTION. Section 3. Effective date. [This act] is effective on passage and approval.

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